


**MEMORANDUM  
COUNTY OF PLACER  
DEPARTMENT OF ADMINISTRATIVE SERVICES  
PROCUREMENT SERVICES DIVISION**

TO: Honorable Board of Supervisors  
FROM: David Seward, Purchasing Manager   
DATE: May 9, 2006  
SUBJECT: Recommendation to Approve a Blanket Purchase Order for Traffic Paint with James David Lawrence in the Maximum Amount of \$100,000.00

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**ACTION REQUESTED**

Approve the use of State of California Contract No. 1-05-80-03 for the purchase of regular water borne traffic paint from James David Lawrence of Auburn, CA, and authorize the Purchasing Manager to sign the resulting blanket purchase order in the maximum amount of \$100,000.00.

**BACKGROUND**

The Department of Public Works, Road Maintenance Division, requires an annual agreement for the purchase of water borne traffic line paint. The previous blanket purchase order for this commodity expired on March 31, 2006. Typically, the department purchases water borne traffic line paint through the State of California's competitively bid annual contract, which offers the pricing benefit derived from large volume buying. Section 1.3(e)(3) of the Purchasing Policy Manual authorizes the use of another government agency's contract that has been awarded as the result of a competitive bid. Based on an evaluation, Procurement Services has concluded that it is unlikely that a bid solicitation at this time would result in prices below the County's total cost of piggybacking on the State's contract. A complete evaluation is submitted as Exhibit 'A'. The requested blanket purchase order shall be effective for the period May 9, 2006 through March 15, 2007.

**FISCAL IMPACT**

The blanket purchase order resulting from this recommendation will total \$100,000.00. Public Works budgets sufficiently for these road maintenance expenditures.

Attachment  
Exhibit A, BPO Renewal Evaluation

Cc: Kevin Taber, Public Works  
Gwenda Howell, Public Works

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**BPO RENEWAL EVALUATION  
Water Borne Traffic Line Paint  
State Contract vs. Bidding**

<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>	<u>G</u>
<u>Water Borne Traffic Paint</u>	<u>County Approx. Annual Volume (gallons)</u>	<u>State Volume (gallons)</u>	<u>James David Lawrence State Contract Unit Price per Gallon</u>	<u>7.25% State Sales Tax</u>	<u>2.48% Local Agency Contract Use Fee (0.0248 x D)</u>	<u>County's Total Unit Cost per Gallon (D + E + F)</u>
White, 250 gal. Tote	3,500	219,170	\$ 5.651	\$ 0.41	\$ 0.140	\$ 6.201
Yellow, 250 gal. Tote	6,500	215,740	\$ 5.345	\$ 0.39	\$ 0.133	\$ 5.865
Black, 250 gal. Tote	2,250	32,885	\$ 5.253	\$ 0.38	\$ 0.130	\$ 5.764

More than likely, a bid would not result in prices below the County's total cost of piggybacking on the State of California's contract due to the State's much larger volumes.

**PRODUCER PRICE INDEX**

	<u>Paints and Allied Products</u>	<u>Paint Materials</u>
April-05	188.80	189.80
February-06	201.60	201.60
Percent Increase	6.78%	6.22%

The Producer Price Index indicates price increases of over 6% for paints and paint materials (paint ingredients) for the period of April of 2005 through February of 2006, while State contract prices have remained unchanged over the same period.

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